



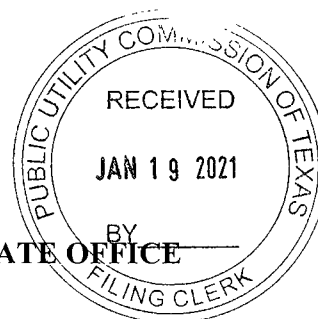
Control Number: 51415



Item Number: 151

Addendum StartPage: 0

SOAH DOCKET NO. 423-21-0538
PUC DOCKET NO. 51415



APPLICATION OF SOUTHWESTERN §
ELECTRIC POWER COMPANY FOR § BEFORE THE STATE OFFICE
AUTHORITY TO CHANGE RATES § OF
ADMINISTRATIVE HEARINGS

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO EAST TEXAS
SALT WATER DISPOSAL COMPANY'S FIRST REQUEST FOR INFORMATION**

JANUARY 19, 2021

TABLE OF CONTENTS

<u>SECTION</u>	<u>FILE NAME</u>	<u>PAGE</u>
Response No. ETSWD 1-1	51415 ETSWD01 Pkg.pdf	2
Response No. ETSWD 1-2	51415 ETSWD01 Pkg.pdf	3
Response No. ETSWD 1-3	51415 ETSWD01 Pkg.pdf	4

SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415

SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO EAST TEXAS
SALT WATER DISPOSAL COMPANY'S FIRST REQUEST FOR INFORMATION

Question No. ETSWD 1-1:

Please refer to Mr. John Aaron's direct testimony. Describe the difference in the jurisdictional and Texas retail allocation methodologies included in the cost allocation studies developed in this rate case and those approved by the Commission in SWEPCO's last base rate case (Docket No. 46449).

Response No. ETSWD 1-1:

Please see filing Schedule P-13.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415

SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO EAST TEXAS
SALT WATER DISPOSAL COMPANY'S FIRST REQUEST FOR INFORMATION

Question No. ETSWD 1-2:

Please refer to page 30 of Mr. John Aaron's direct testimony.

- a. What are the cost items that will be reflected in the Approved Transmission Charges("ATC") included in the TCRF calculation?
- b. Are these cost items included in SWEPCO's proposed cost of service in this rate case?

Response No. ETSWD 1-2:

- a. Please see Exhibit JOA-5 for the cost items that are reflected in the ATC for the TCRF.
- b. Yes.

Prepared By: Earlyne T. Reynolds

Title: Reg Pricing & Analysis Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis

**SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415**

**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO EAST TEXAS
SALT WATER DISPOSAL COMPANY'S FIRST REQUEST FOR INFORMATION**

Question No. ETSWD 1-3:

Please refer to Mr. John Aaron's direct testimony and page 10 of Ms. Jennifer Jackson's direct testimony.

- a. Please explain in detail why some Texas retail rate classes experience three and four times more than the system increase percentage as a result from the Texas retail class allocation studies at an equal rate of return.
- b. Please admit that all other things being equal, it is reasonable for all classes to experience the same percentage impact from rate increase.
- c. If the response to subpart (c) is anything other than an unqualified admission, please explain the response.

Response No. ETSWD 1-3:

- a. The fully allocated embedded class cost-of-service study establishes the cost responsibility that is used to determine the rates developed for the electric services provided by SWEPCO. Operating statistics such as peak demands, energy sales, customer counts and other data support the allocation of the costs to jurisdictions and classes. The class cost responsibility is determined based on the customer class statistics for the test year and the allocation methodologies. If the fully allocated class change is not proposed or approved to be used in the development of the final class rates or no movement toward system average return achieved in a rate review based on settlements or Commission Order, the class returns could remain at a level multiple times the system average increase in the next review. In this case, the proposed system average base rate increase is 30.31%. Several classes show greater than system average increases at an equalized return and some classes show less than a system average increase based on the statistics and cost allocations. Classes that are above system average return at an equalized return are shown in the proposed revenue distribution.
- b. Denied.
- c. In this response, SWEPCO assumes that ETSWD intended to reference subpart (b) in the request and refers to the class cost-of-service study. Please see the response to subpart a. The class cost-of-service study yields unique results for each customer class and it would be rare that all classes would experience the system average return.

Prepared By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

Sponsored By: Jennifer L. Jackson

Title: Reg Pricing & Analysis Mgr

Sponsored By: John O. Aaron

Title: Dir Reg Pricing & Analysis